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SECURITY INFORMATION

CENTRAL INTELLIGENCE AGENCY  
OFFICE OF NATIONAL ESTIMATES

22 July 1952

STAFF MEMORANDUM NO. 257

SUBJECT: Developments in US-Spanish Negotiations

1. The US-Spanish base negotiations have now reached an impasse, though cordiality has prevailed throughout. The basic positions of the two countries have remained far apart since last April, and Spain has now informally suggested that the negotiations be "reoriented." The following major differences have appeared:

- a. Basic policy differences. The US at present wishes to make only minimal and specific military and economic commitments to Spain in return for Spanish grant of specific base rights. Spain on the other hand wishes to secure general and comprehensive US commitments, on the ground that granting of base rights to the US would automatically make Spain a belligerent and bring it under immediate Communist attack in event of war. Therefore Spain insists upon US recognition "in principle" of responsibility to provide sufficient defense equipment "to offset Spain's increased vulnerability" as "an absolute prerequisite" to Spanish grant of bases.
- b. Differences in negotiating demands. The US proposes, on the basis of the \$125 million already voted for Spain, that \$37 million be devoted to military use (\$5 million for the Spanish munitions industry, \$12 million in military end items, \$15 million for improvement of railroads connecting the ports and

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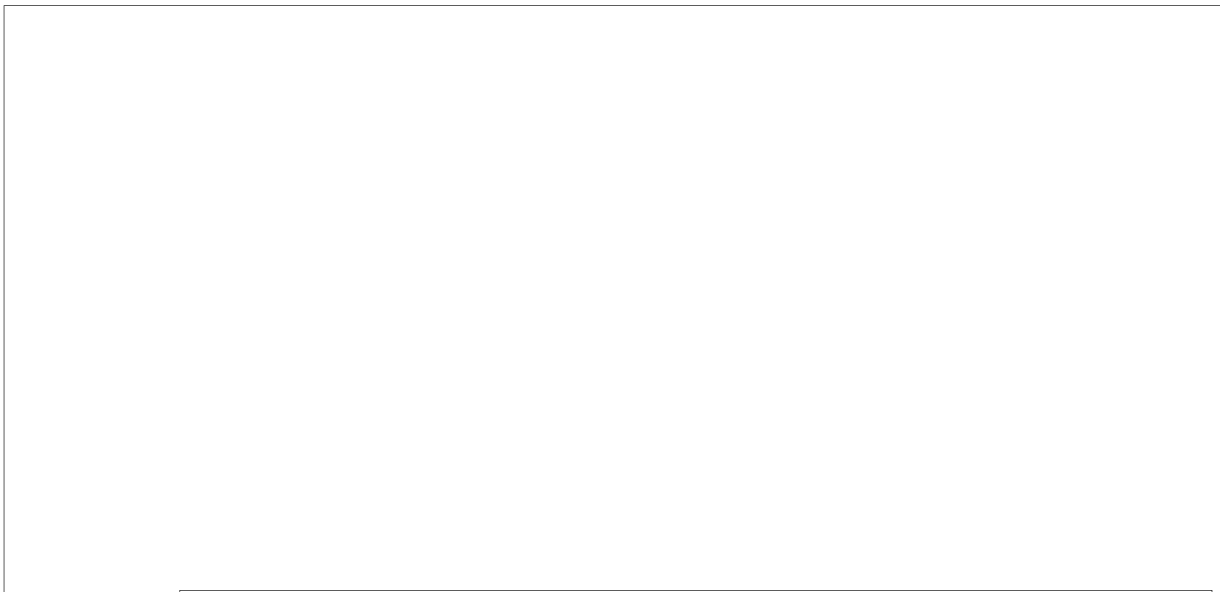
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bases wanted by the US, and \$5 million presumably to provide US assistance in training Spanish personnel in US military schools and US technical advice on training methods). The other \$88 million would go for economic aid, with the counterpart funds created used to develop the US bases, etc. Implementation of these plans would for the most part be under US "supervision." Spain, for its part, finds \$125 million quite inadequate. It requests present and future aid be sufficient: (1) to organize and equip ground force divisions necessary for adequate defense; (2) to make available planes and antiaircraft sufficient for protection of national territory against air attacks; and (3) to modernize certain naval units and coastal defenses. While Spain does not insist that all such aid be given immediately, it wants a firm commitment that it be delivered by 1954, the date which, according to the Spanish, the US JCS believe will be the most critical period in the East-West struggle.

- c. Differences on duration of agreements. The US seeks a 20-25 year agreement, as essential to Congressional approval for the type of permanent structure necessary for sound base construction. The Spanish prefer to hold the agreement to a 5-year period with possible options for a 5-year renewal according to the international situation. In support of their position the Spanish offered their own estimates that: (1) the East-West crisis will arrive in the summer of 1954; (2) in any event, there will be all-out war or stability within 10 years, and (3) consequently the political situation in Europe will be settled one way or another in 10 years, with certain unspecified European countries disintegrating in the process.

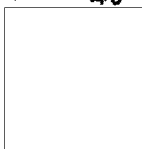
2. Spanish concern has obviously been aroused by an impression that the US now regards the Spanish base program with less urgency than at the time of the Sherman and Spry missions in 1951.

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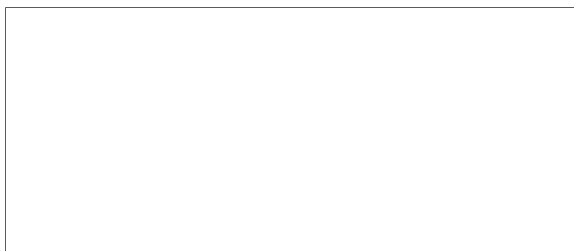
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little question but that the Franco Government has a big political as well as economic and military stake in concluding agreements with the US. It probably appreciates the risk that the stronger NATO-EDC arrangements grow, the weaker US interest in Spain may well become, and that lengthy delay might result in no agreements at all. Consequently, Spain probably still desires an early agreement, especially if it takes seriously its estimate of 1954 as the critical year. At the same time it is anxious to secure reassurances of more than the minimal aid presently offered and is willing to gamble some time with the expectation it can secure such reassurances.



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